

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6839

BILL NUMBER: HB 1567

NOTE PREPARED: Jan 25, 2009

BILL AMENDED:

SUBJECT: Vaccines Containing Thimerosal.

FIRST AUTHOR: Rep. Bell

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill prohibits the administration of influenza vaccines containing thimerosal to: (1) children at least 6 months but less than 36 months of age; and (2) pregnant women; unless no alternative vaccines are available or unless there is an emergency. The bill requires the State Department of Health to develop informational materials concerning trace amounts of mercury in vaccines to give to individuals administering vaccines. The bill also requires individuals administering vaccines to give the materials to individuals receiving vaccines. The bill provides that a health care practitioner may be subject to disciplinary sanctions for failure to comply with these requirements.

Effective Date: July 1, 20888709.

Explanation of State Expenditures: *Thimerosal Requirement:* This bill may not necessarily increase state expenditures to provide thimerosal-free influenza immunizations to children between the ages of six months and three years. Currently, influenza immunizations for the children defined in the bill are provided from a combination of state funds and the federal Vaccines for Children (VFC) and 317 programs.

The State Department of Health (ISDH) reports that the 317 program provides a select number of immunizations to adults at no cost. All vaccines provided through VFC funding are thimerosal-free, except for multi-dose vials of the influenza vaccine. All immunizations provided to children under the VFC and 317 programs could therefore meet the requirements of the bill.

ISDH reports that currently the VFC program provides both types of influenza vaccines: thimerosal and thimerosal-free. Of the VFC program influenza vaccines for children between six months and three years of age, 5,526 contained thimerosal and 23,385 did not. Additionally, ISDH reports that of all non-VFC program

influenza vaccines provided to children between the ages of six months and three years of age, 654 contained thimerosal and 1,607 were thimerosal-free. Under the bill's requirements, an estimated 6,200 vaccines would require substitution.

The state may, however, experience additional costs under the Medicaid program if Medicaid-eligible pregnant mothers are administered thimerosal-free influenza immunizations in lieu of an immunization that contains thimerosal. Additionally, it is unknown how many pregnant mothers currently receive thimerosal-free immunizations from the 317 program. However, if some mothers do, this number is expected to be very small. The actual increase in expenditures is indeterminable.

If pregnant mothers are required to receive thimerosal-free immunizations, Medicaid costs can increase by \$4.24 to \$8.50 per inoculation, of which, approximately 67% would be reimbursed by the federal government.

The bill also provides that the requirement that influenza vaccinations provided be thimerosal-free only if there is a non-emergency situation regarding supply or an epidemic.

Information Requirement: The bill also requires ISDH to prepare information on the use of thimerosal and other vaccine preservatives for distribution to parents, guardians, or vaccine recipients when administering vaccines. ISDH reports that currently all providers who administer immunizations are required by federal law to distribute Vaccine Information Statements (VIS) to patients every time a vaccine is administered. The VIS statements are published by the U.S. Centers for Disease Control and Prevention (CDC) and are updated regularly. VIS statements discuss the use of thimerosal and other vaccine preservatives. Requiring the distribution of informational materials to vaccine recipients will have no fiscal impact on the state.

Reporting Requirement: ISDH would be required to study and determine the feasibility of requiring all vaccines in the state be thimerosal-free. ISDH reports they do not have any information regarding vaccinations provided to patients in the private sector. Assuming this information is required for reporting purposes, it would most likely be supplied from pharmaceutical companies and would limit the information that would be necessary to gather. This provision will increase the workload of ISDH staff to study and report findings by October 1, 2009.

Background Information:

Under IC 20-34-4-4, if a parent cannot secure immunizations for their child, the local health department may provide the immunization. Additionally, these immunizations may be furnished by either the local health department or ISDH.

There are currently three different types of federal funding available for vaccines. These programs are: (1) the VFC program for uninsured or Medicaid children, (2) the VFC program for underinsured children, and (3) 317 funds. Under the VFC program, a child is considered eligible if they are either uninsured, receive Medicaid, or are underinsured. Immunizations provided under the VFC program are considered entitlements. [Note: A child is considered underinsured if they are covered by private insurance, but the insurance provides limited vaccinations. Underinsured children would be considered VFC-eligible only for those immunizations their private insurance does not cover. Underinsured children can receive immunizations only from federally qualified health centers or rural health clinics.]

ISDH reports that the VFC program administered by the CDC provides all recommended vaccines to eligible children at no cost. Included in the list of recommended vaccines are thimerosal-free influenza immunizations. Eligible children are those under the age of 18 and are any one of the following: (1) eligible for Medicaid, (2) without health insurance, (3) American Indian, (4) Alaskan Native, or (5) have health insurance that does not cover vaccines. Program participants are not liable for the costs of the immunization, only a processing fee.

Under the 317 Program, the CDC provides a limited amount of vaccines (\$5 M worth) to the state of Indiana to fill gaps not covered by VFC and private purchase of immunizations. These funds can be used to provide vaccines to otherwise ineligible children, adolescents, or even adults (including pregnant mothers). ISDH reports that these funds are not adequate to provide immunizations to all adults, including pregnant mothers. These funds represent 5% of ISDH's immunization budget. However, local health departments report that approximately 50% of their clients are eligible for 317 funds.

There are also some state funds available for immunizations. The 2007 General Assembly provided \$11 M from the tobacco tax funds for the purchase of immunizations. Immunizations provided from these funds have been limited to children under four years of age. These vaccines were intended to provide immunizations to children who did not qualify for the VFC program, but whose parents might not otherwise be able to afford immunizations for their children.

Explanation of State Revenues: The bill also adds that practitioners who fail to provide a patient with required information are subject to penalty under IC 25-1-9-9, which includes a fine of \$1,000 per violation. State revenue will increase to the extent that violations are discovered and fines are collected. The increase in state revenue is indeterminable.

Explanation of Local Expenditures: This bill may not necessarily increase local expenditures to provide thimerosal-free influenza immunizations to children between the ages of six months and three years and to pregnant mothers. Any increases in expenditures will depend on the assumptions and information described in the *Explanation of State Expenditures*.

Explanation of Local Revenues:

State Agencies Affected: ISDH.

Local Agencies Affected: Local health departments.

Information Sources: Scott Zarazee, ISDH; Brian Carnes, ISDH; U.S. Census; CDC; North Carolina Fiscal Research Division.

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